



COVINA-VALLEY
UNIFIED SCHOOL DISTRICT



First Interim Report

REPORT TO BOARD OF EDUCATION

DECEMBER 6, 2010

First Interim Report

- One of three annual financial reports
- Reports financial results and projections
- Key to determining District's fiscal viability
- Components of the Report



2010-11 Budget



- District's June budget based on the May Revision
- First Interim based on State budget passed in October
- Major changes:
 - Restoration of Revenue Limit Cut
 - Mandated Costs Income
 - Federal Jobs funding



Adjustments to First Interim Budget



District budget is updated to reflect most current information regarding:

- Beginning fund balances
- Categorical revenues and expenses
- Other income accounts
- Encroachment
- Salaries and benefits
- All other expenditure accounts



2010-11 Revised Budget



Unrestricted General Fund:

Projected loss – Original budget	(\$2.04 M)
Projected income – First Interim	<u>2.58 M</u>
Favorable change	\$ 4.62 M

Revised projected Unrestricted Ending Fund Balance:

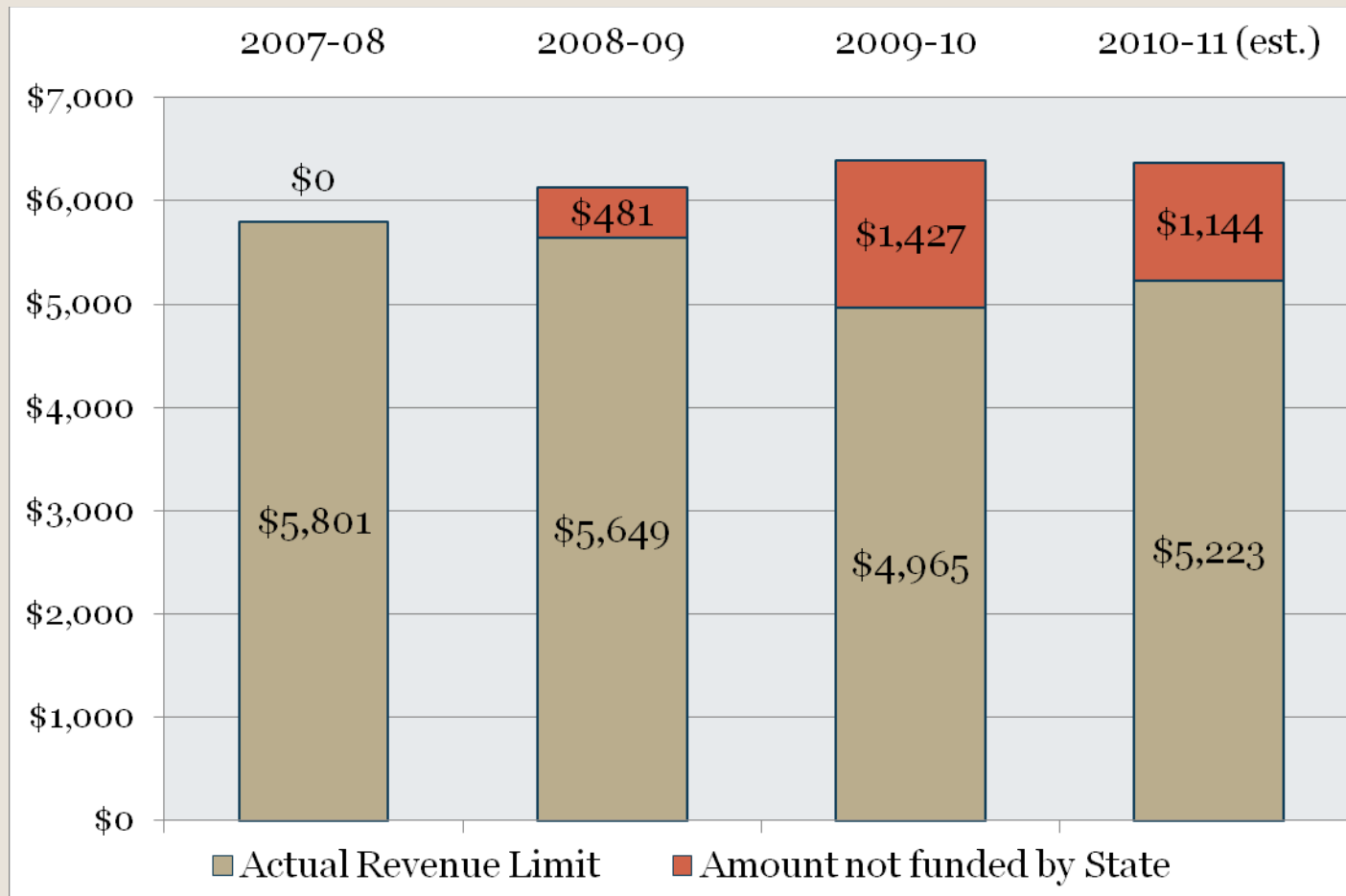
\$15.97 M 14.73%

Multi-Year Projections

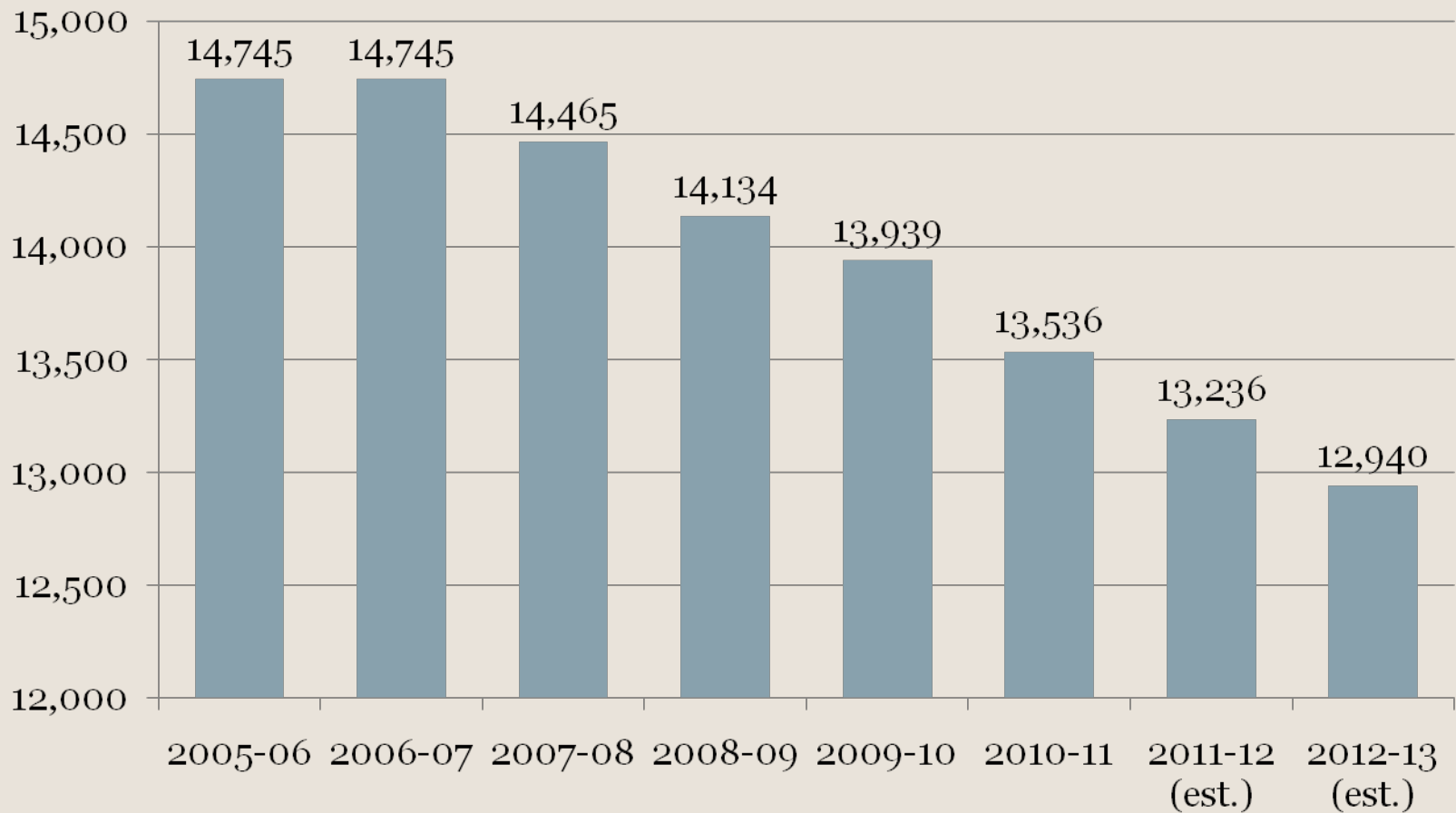


	<u>10-11</u>	<u>11-12</u>	<u>12-13</u>
Statutory COLA	(0.39%)	1.7%	1.9%
Effective Revenue Limit COLA	5.17%	0.0%	1.9%
Dollar Change per ADA	\$258	\$ 0	\$100
Change in ADA	(403)	(300)	(296)

Change in Revenue Limit – C-VUSD



Revenue Limit ADA



Multi-Year Projections – Other Factors



- Flexibility
 - Tier 3 Categorical sweep – \$2.9 M
 - \$1.5 M projected sweep from Adult Ed in 2010-11
 - Reduction in school year to 175 days
 - K-3 CSR at 22:1
 - Flexibility begins to phase out 2012-13
- Salaries and Benefits
 - Only increase is step and column
 - Estimated decrease for reduction in teachers due to enrollment loss

Projected Unrestricted Reserve

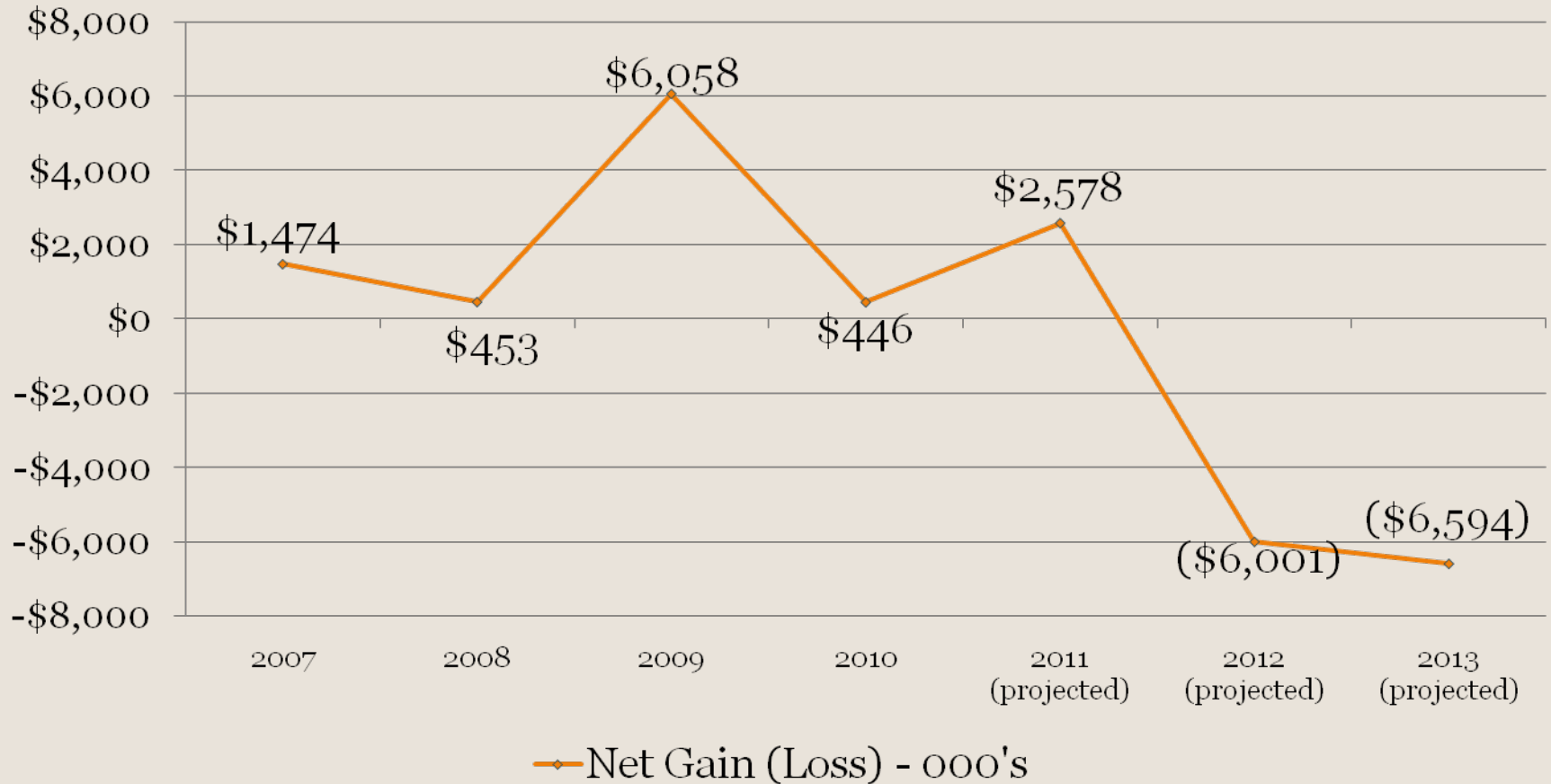


<i>000's</i>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Projected Unrestricted Income (Loss)	\$2,578	(\$6,001)	(\$6,594)
Projected Unrestricted Ending Fund Balance	\$15,971	\$9,970	\$3,377
Fund Balance Percent	14.7%	8.9%	3.0%
Amount above/(below) 3%	\$12,717	\$6,599	-0-

Unrestricted General Fund Net Gain/Loss



Unrestricted General Fund



Changes to Net Income



- 2008
 - First year of Revenue Limit decrease due to ADA
 - Still receiving COLA
 - First round of cuts made

- 2009
 - Revenue limit decreased by ADA & State cut
 - District makes cuts greater than COLA cut
 - Modest raise given
 - One time \$'s from Adult Ed, Worker's comp fund, Tier 3 balances

Changes to Net Income



- 2010
 - Largest State cut
 - Offset by (one-time) ARRA
 - Still losing Revenue Limit due to ADA loss
 - Loss of our own one time \$'s (Adult Ed, WC, Tier 3)
 - More cuts made

- 2011
 - Partial restoration of Revenue Limit offset by ADA loss
 - Cuts and Adult Ed transfer make up for loss of ARRA
 - Better net income due to (one-time) Federal jobs \$s

Changes to Net Income



- 2012
 - No “new money”
 - No COLA
 - Still losing Revenue Limit from ADA loss
 - Loss of Federal Jobs \$ and our Adult Ed transfer
 - Addition to budget for required textbooks
 - Normal ongoing cost increases

- 2013
 - Increase in COLA is offset by ADA loss
 - Removal of textbook money offsets step and column

District Certification



- The District shows required reserve (3%) at June 30, 2013
- Positive Certification
- A **Positive** certification indicates that, based upon current projections, the school district **will** meet its financial obligations for the current fiscal year and subsequent two fiscal years
- Projections are based on current LACOE allowed parameters
- Expect changes in January